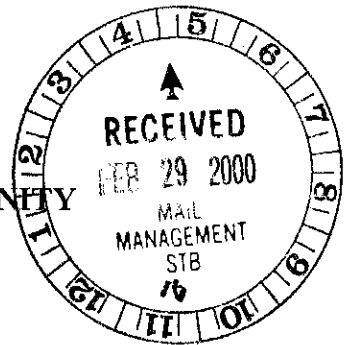


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OUTLINE OF REMARKS BY
J.C. BURNS, EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY
DEVELOPMENT



LETTER
Office of the Secretary

BEFORE THE SURFACE TRANSPORTATION BOARD
IN

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Public Record

PUBLIC VIEWS ON MAJOR RAIL CONSOLIDATIONS
MARCH 10, 2000

My name is J.C. Burns and I am the Executive Director of the Mississippi Department of Economic and Community Development.

Economic Development is one of the most important jobs we have in Mississippi, and one of the keys to economic development is the ability to create a strong, efficient railroad system.

Historically, Mississippi has not fared well in the national railroad system, particularly in some mergers. We are a rural state with a great deal of light density rail line. In the 1970's and 1980's the Class I railroads abandoned hundreds of miles of rail line that they deemed unprofitable. These abandonments were an economic disaster for many small cities and entire areas of the state from which some have not recovered.

Even with that as a backdrop all has not been negative. The recent fifteen (15) year marketing alliance between the Kansas City Southern and the Canadian National is one example. That alliance has provided the state with a strong, efficient north south rail route that will help us take full advantage of the growing trade between the United States, Canada and Mexico. Presently, Mississippi's strongest trading partner is Canada and we anticipate growing that market along with developing and growing the market in Mexico and Central America.

Also, Mississippi is very interested in continuing to have competitive rail service for business and industry in the state and to encourage the further growth of that business and industry along the rail corridors. We are convinced the future is bright in this area for growth.

With its history and its growth potential, Mississippi has a lot at stake relative to competitive and reliable rail service. The state is very interested in and concerned about the effects, negative or positive, of any future merger(s).

Today, Mississippi is not asked to take a position on the proposed Canadian National and Burlington Northern merger. Indeed, we are not in a position to make an informed comment on the merger, as the application, along with other documents attendant to such actions have not been filed. The State of Mississippi will, as appropriate, comment on the proposed merger once all the proper documentation is in place and we have had an opportunity to review and study any such filings.

As to the purpose of this hearing, we respectfully suggest that the issues and broad public policy questions being considered by the Surface Transportation Board today and in the future are vitally important to the Mississippi and the national economies in the new century. The consequences of mergers on the rail industry and the economy of Mississippi are potentially substantial and complex and thus, must be thoroughly and carefully examined, with consideration given to the immediate impact as well as the downstream effects on the industry and the economy as a whole.

While the State of Mississippi suggests that the STB consider the CN/BN application on its own merits and not based on some bad merger experience from the past, the state does request that downstream matters be considered.

This is the standard by which we suggest you consider mergers in general and specially the Canadian National and Burlington Northern merger as this process goes forward. The State of Mississippi looks forward to the application process and with it our opportunity to fully review and comment on its impact on Mississippi.